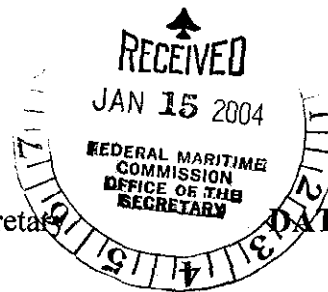


Memorandum



TO : Bryant Van Brakle, Secretary **DATE:** January 15, 2004

FROM : Steven R. Blust, Chairman *SRB*

SUBJECT : Petition Numbers P3-03, P5-03, P7-03, P8-03 and P9-03

On January 8, 2004, I met with members and representatives of APL Limited. In attendance at the meeting were Mr. Robert F. Sappio, Senior Vice President, Trans-Pacific Market, APL Limited, Oakland, California, Mr. Eric R. Swett, Associate Counsel, APL Limited, Oakland, California, Mr. John G. Reeve, Reeve & Associates, Yarmouthport, Massachusetts, Mr. Rbert T. Basseches, Shea & Gardner, Washington, D.C., Mr. David B. Cook, Shea & Gardner, Washington, D.C. My counsel, Rachel E. Dickon, was also present.

APL began by generally describing the company and its goals. As to the matters at issue in the petitions, APL generally stated its disagreement with some of the petitions but make clear that it would not defend the status quo. APL believes that OSRA is working well and should be allowed to run its course.

As to the UPS petition and others, APL pointed out the lack of investment in maritime assets as a reason not to treat those entities as APL is treated. APL clarified that indeed APL Logistics does not have a competitive advantage despite the same parent company.

APL explained its belief that should NVOCCs have authority to contract confidentially, private sector shipping companies would suffer as enhanced aggregation of cargo would compress rates.

Finally, APL urged the Commission to use its authority to thoroughly examine the issues before it and to find out how NVOs do business. APL believes the record before the Commission presently may not yet be complete enough. Further, APL does not believe that the Commission necessarily has the authority to grant the relief sought in the petitions.